

**CHARLIE BAKER**  
GOVERNOR



**KARYN POLITO**  
LT. GOVERNOR

**FOR IMMEDIATE RELEASE:**  
**December 7, 2015**

**CONTACT**

Elizabeth Guyton, Governor's Office

[elizabeth.guyton@state.ma.us](mailto:elizabeth.guyton@state.ma.us)

Brendan Moss, Administration and Finance

[brendan.moss@state.ma.us](mailto:brendan.moss@state.ma.us)



**Baker-Polito Administration Introduces Municipal Modernization Bill**

*Legislation reflects input of hundreds of local officials across the Commonwealth following months of outreach*

**BOSTON** – Today, Governor Charlie Baker and Lieutenant Governor Karyn Polito introduced “[An Act to Modernize Municipal Finance and Government](#),” aimed at improving critical components of the partnership between state and municipal governments by eliminating or updating obsolete laws, promoting local independence, streamlining state oversight and providing municipalities with greater flexibility. This bill reflects the fact that expectations have changed concerning municipal government, ushering in significant improvements in professional management, and that advances in technology have profoundly changed the manner in which municipalities operate. Today’s announcement follows hundreds of meetings, conversations, and proposals between the administration and municipal officials, including over 130 municipalities the Lt. Governor has met with as part of her “Building Stronger Communities” tour.

“As two former local officials, the Lieutenant Governor and I promised to make partnership with cities and towns a focus and priority of our administration,” **said Governor Baker.** “We were proud to establish a Community Compact Cabinet and keep our commitment to increase local aid by 75% of revenue growth in our first budget, the largest such boost in nearly a decade, and look forward to implementing greater independence and flexibility that empowers our local municipal officials to best serve their communities.”

Governor Baker cemented the administration's commitment to municipal partnerships and seat at the table in his first executive order after taking office, [establishing the Community Compact Cabinet](#), and appointing Lt. Governor Polito as its chair to enable greater communication and collaboration with local officials. Since its establishment, 150 communities have applied, representing over 300 best practices, and the Lt. Governor has signed compacts with 71 communities.

"Over the past eleven months, I have travelled across the Commonwealth meeting with and listening to local officials as Chair of the Community Compact Cabinet," **said Lieutenant Governor Polito**. "Signing over 70 commitments to promote best practices at the local level has afforded me the tremendous opportunity to connect with local officials and hear many great ideas that are reflected in this bill, including streamlining state oversight and eliminating obsolete laws."

"The Baker-Polito Administration's investment in local aid will go beyond funding in each year's budget," **said Kristen Lepore, Secretary of the Executive Office for Administration and Finance**. "Groups like the Massachusetts Municipal Association and the Massachusetts Mayors' Association were instrumental in helping us identify unnecessary mandates and laws in desperate need of modernization. The legislation we are proposing today incorporates a tremendous amount of feedback and a common sense approach to addressing reforms and strengthening our partnership with Massachusetts cities and towns."

In April, through the Division of Local Services (DLS), the administration posed to local officials what the Commonwealth could do to improve their ability to deliver quality services to their constituents and the feedback included more than 550 individual responses and more than 1,300 suggestions from over 215 municipalities and 20 regional school districts. The administration has also completed internal reviews and met with numerous professional associations, including the Massachusetts Municipal Association (MMA), Massachusetts Association of Public Purchasing Officials (MAPPO), Massachusetts Association of Assessing Officers (MAAO), Massachusetts Collectors/Treasurers Association (MCTA), and Massachusetts Municipal Auditors and Accountants Association (MMAAA).

"The Act to Modernize Municipal Finance and Government is history-making in its depth and breadth," **said Geoff Beckwith, Executive Director & CEO of the Massachusetts Municipal Association**. "The bill would benefit nearly every aspect of local government, from day-to-day administration to economic development in our downtowns, and reflects the kind of local-state partnership that would make Massachusetts a model for the rest of the nation."

“This bill is terrific for cities, towns and local taxpayers because it will remove unnecessary and obsolete barriers to efficient government and effective service delivery,” **said MMA President and Orleans Selectman David Dunford.** “These proposals will allow our communities to modernize their management systems, streamline their operations, and move faster than ever to grow our local economies. All of this will make our state stronger and more competitive than ever.”

“From day one, Governor Baker and Lt. Governor Polito have embraced our cities and towns, and worked hard to build a strong and powerful partnership with local leaders,” **said Haverhill Mayor James Fiorentini, President of the Massachusetts Mayors’ Association.** “The Baker-Polito Act to Modernize Municipal Finance and Government will benefit every city and town, from the largest to the smallest, and will give Mayors, Selectmen, Managers and all local officials the tools to lead their communities with greater efficiency and effectiveness. That’s what a great state-local partnership looks like.”

The four foundational themes for the proposed municipal modernization bill are: eliminating or updating obsolete laws; promoting local independence; streamlining state oversight; and providing municipalities with greater flexibility. The need for modernization is further reflected by the fact that the proposed bill includes amending laws that haven’t been modified since the early 1900’s.

#### **Eliminate or Update Obsolete Laws**

- **County Government Reporting:** Repeals provisions of the county finance statute that require DLS to review various aspects of county government finance.
- **Electronic Advertising for Required Notices:** Modifies the public notice requirement for town warrants and other required notices, including procurement, to permit municipalities to post notice in any manner prescribed or approved under the Open Meeting Law.
- **Electronic Issuance of Civil Motor Vehicle Infraction (CMVI):** Adopts the necessary changes to the civil motor vehicle infraction law to allow cities and towns to issue citations electronically.
- **Accrual of Interest on Unpaid Taxes:** Makes the charging of interest on overdue property taxes more equitable in terms of semi-annual versus quarterly billing.

#### **Promote Local Independence**

- **Stabilization and Revolving Funds:** Broadens the revolving funds statutes to permit more flexibility in the use of such funds and to eliminate all caps.
- **Insurance Proceeds:** Allows up to \$150,000 of insurance proceeds that a city or town receives in payment of a claim to be used without appropriation to repair or replace damaged real and personal property.
- **Right of First Refusal for Non-Profit Property:** Gives a municipality a right of first refusal if property owned by a charitable organization or a church is being sold or developed for a non-exempt purpose.
- **Liquor Licenses:** Allow municipalities, except Boston, to set the quotas for liquor licenses issued to facilities (such as restaurants) permitting on-premises drinking.

#### **Streamline State Oversight**

- **Boat excise reform** – The Environmental Police will provide more up-to-date boat registration and documentation to local assessors that will ensure a more efficient process for the collection of the excise tax.
- **Local Property Assessments:** Decreases the frequency with which Department of Revenue (DOR) must certify that local property assessments reflect fair cash valuation from every three years to every five years.
- **State-Owned Land Valuation:** Eliminates the current procedure under which the DOR values state-owned land every four years, replacing that process with a statutory formula for determining the valuation every two years after the 2017 valuation required by current law.
- **Remove DLS approval on certain abatements:** Eliminate the need to have DLS approve abatement of taxes on low-valued land and abatement of taxes on properties being made available for affordable housing.

#### **Provide Municipalities with Greater Flexibility**

- **“Double poles” Enforcement Power:** Allows cities and towns to enforce the statutory prohibition on keeping double poles up after ninety days, after passing a local ordinance authorizing them to do so.

- **State and Municipal Procurement Thresholds:** Simplifies, clarifies and increases state and municipal procurement thresholds with various reforms designed to give municipalities more flexibility in how they procure construction contracts.
- **Debt Statutes:** Increase the short-term borrowing maximum from 5 to 10 years, allow borrowing for a reimbursable federal or state grant, and increases the de minimis surplus bond balance that may be used to pay debt service.
- **Unemployment Insurance:** Extends the “reasonable assurance” standard to school employees paid through the municipal budget and addresses the issue of retirees collecting unemployment.

The legislation also proposes changes that would modernize procurement at the local level and allow municipalities to use Operational Services Division contracts for construction contracts under \$50,000. Once passed, this legislation will also allow cities, towns, or districts to adopt a local option that would require direct deposit of municipal employee compensation; will permit mayors and selectmen to initiate movement to optional forms of municipal administration or charter commission; will allow municipalities to exempt positions from civil service by vote of the governing body rather than through special legislation; and will enable cities and town to invest in CD's for more than one year.

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